

2017 IFIE – IOSCO Conference

Delivering FC/IE Program to Remote Areas: Indonesia Case Study

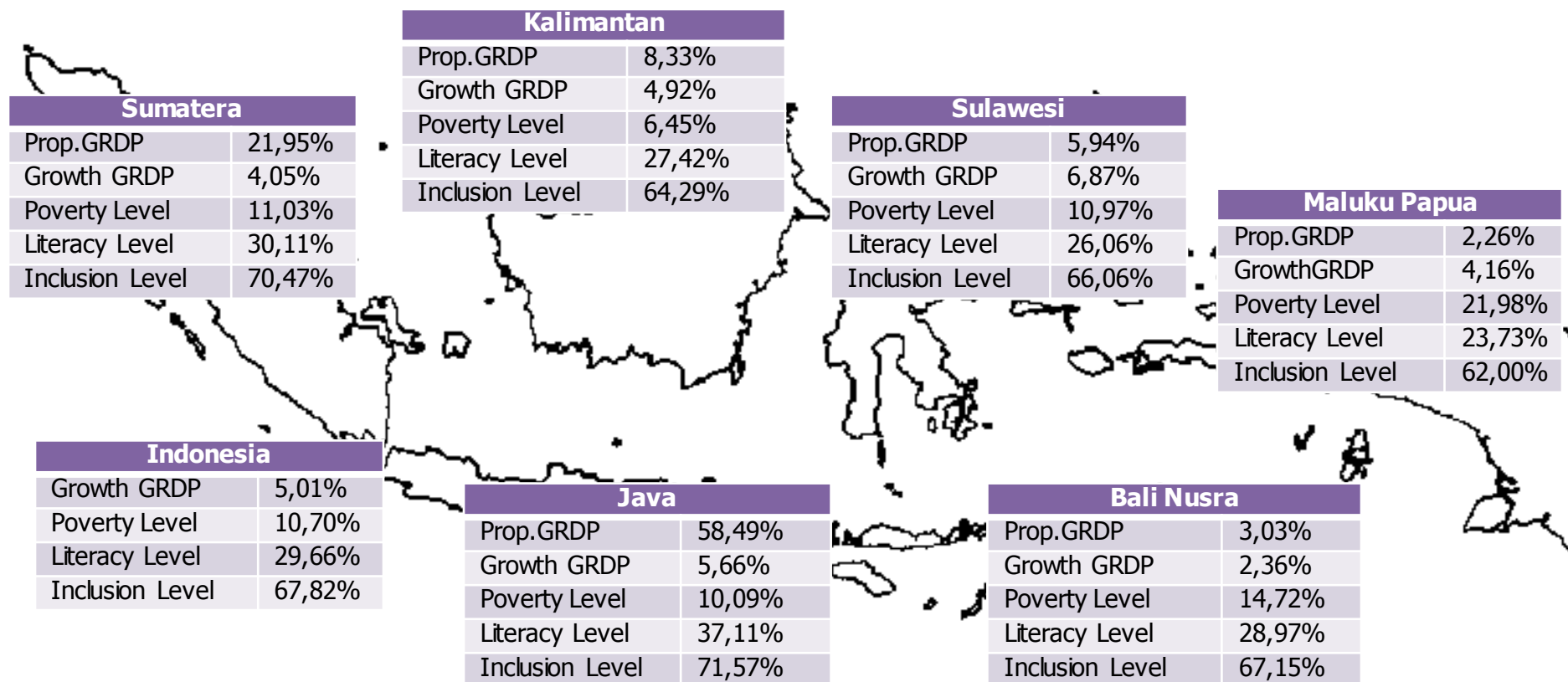
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Rio de Janeiro, June, 5 2017



Indonesia still experience inequality...

There is regional economic imbalance where Java contributed 58.49% of GDP. Eastern part of Indonesia experience high number of poor people with low level of financial literacy and financial inclusion index.



- GRDP: Mar-17 (BPS)
- Poverty Level: Sept-16 (BPS)
- Literacy and Inclusion Level: 2016 (OJK)

The Framework

Indonesia Government has strong commitment to reduced inequalities across communities, including inequalities on financial literacy and access to financial services. Indonesia FSA, together with relevant stakeholders, develop strong trilogy of policy instruments to boost financial welfare and support financial system stability.

The Trilogy of Policy Instruments

National Strategy on
Financial Inclusion

Launched by the President on
Sept, 2016 (revised version)

National Strategy on
Financial Literacy

Launched by the President
on Nov, 2013

Strategy on Financial
Consumer Protection

Launched by the Coordinating
Ministry on Human
Development on May, 2017

Vulnerable Groups , including communities in rural and coastal areas, become main target audiences of the trilogy of policy instruments.

The Framework – Strong Regulation

POJK No.1/POJK.07/2013



OJK Regulation concerning consumer protection in the financial services sector

POJK No.76/POJK.07/2016

OJK Regulation concerning the Improvement of Financial Literacy and Inclusion in Financial Services Sector for Consumer and/or the Public

To accelerate communities financial literacy and financial inclusion accross all Indonesia region, OJK encourage the collaboration with financial institutions, as well as obligation for financial institutions through OJK regulation to conduct at least 1 financial education activity per year. Therefore, financial institutions also contribute in improving national financial literacy level, especially in remote areas.



Education using Financial Literacy Car (SiMOLEK)

We develop Financial Literacy Car (SiMOLEK) for rural people. These car will operate especially in areas that have been difficult to access information, education and financial services.



35 Cities

41 Cars

During 2016

2,093 Program

252,209 Visitors

USD 0.7M Financial Transactions

Education using Boats

Many people still have difficult access to financial information and financial products especially people in the outer island or disadvantaged region.

Target Audiences

- Fisherman
- (Prospective) Migrant Workers
- MSMEs – Souvenir and Food Merchant
- Housewives

During 2016

- 3** Program
- Nunukan
 - Saketa
 - Rote Ndao



Education through Financial Agents

Social assistance program is Government programs that integrate several social assistance through non-cash system which consist of 2 types, saving and e-money.



Sub Wallet

Basic Saving Account
(BSA)



The Recipients

15.5
Million

Around **8.41%** of total population above 15 yo

The Agents

275.916 Agent

Target Agent → **1: 150**

Role of Social Assistance Agents :

- Introduce of financial product and services
- Educate the importance of financial planning
- Encourage people to have a saving culture

Financial Literacy and Inclusion Agents

-  Branchless Banking Agents
-  Community Leaders
-  Financial Planning Counselors
-  Farmers Counselors
-  Teachers, Lectures and University Students

Education for Targeted Segmen

OJK conduct series of Outreach Program (ORP), financial education program for communities living in remote areas and difficult to obtain financial information and financial services, where participants will get financial consultation and mentoring for 3-6 months from dedicated financial agen. ORP will focus on financial planning, financial products and services, as well as investment alert.

During 2016

ORP Malang	ORP Tegal	ORP Padang	ORP Pekalongan	ORP Kupang
<ul style="list-style-type: none"> ▪ Farmers ▪ Housewives 	<ul style="list-style-type: none"> ▪ Fisherman and their families 	<ul style="list-style-type: none"> ▪ MSMEs 	<ul style="list-style-type: none"> ▪ Family Planning Adv ▪ MSMEs 	<ul style="list-style-type: none"> ▪ MSMEs ▪ Village Officials ▪ Church
17 Agen	22 Agen	10 Agen	10 Agen	10 Agen
116 Comm.	100 Comm.	100 Comm.	100 Comm.	100 Comm.

Also Fokus on Sanitation

Collaboration

OJK has partnered extensively to achieve a cross-sectoral development and implementation of the National Strategy, especially to reach remote audiences.

- Coordinating Ministry for Human Development and Cultural Affairs
- Ministry of Education and Culture
- Ministry of Religion
- Ministry of Research, Technology, and Higher Education
- Ministry of Social Affairs
- Ministry of Village, Development of Disadvantaged Regions, and Transmigration
- Ministry of Communication and Informatics
- National Authority for the Placement and Protection of Indonesian Overseas Workers (BNP2TKI)
- Indonesian National Army
- Local Government
- Financial Industries
- Universities and Schools
- Non-Governmental Organizations or Civil Society Organizations

Collaboration and Coordination is needed to ensure that efforts of public, private and not-for-profit entities are appropriately coordinated, monitored and evaluated, and that conflicts of interest are adequately addressed....

Key Takeaways and the Way Forward

In Conclusion ...

- ✓ We set up the policy & regulation on the basis of survey result, economic and social data, and using guideline of international best practice.
- ✓ We implement various programs with the goals of raise awareness, encourage financial institutions to provide financial products & services which are suitable for people living in remote areas
- ✓ We regard the importance of effective collaboration and coordination with relevant stakeholders as key successful criteria.



Financial Capability and Investor Education
is a Communities Basic Rights.
It is also a Long Term and National Project.

**Indonesia FSA (OJK) Will Continue to Develop and
Implement the 3 Policy Strategies in Financial
Education and Financial Inclusion for All Citizen to
Ensure the Financial Well Being of All Investors.**



End of Presentation